

**SUBSTITUTE NO. 1 TO ORDINANCE NO. 09-032**

**AN ORDINANCE TO AUTHORIZE A FLEET MANAGEMENT  
CONTRACT WITH FIRST VEHICLE SERVICES, INC.**

**Rev. #1  
#3179**

**Sponsor:**

**Council  
Member  
Potter**

**WHEREAS**, pursuant to Section 2-308 and 8-200 of the City Charter, the City of Wilmington is authorized to enter into contracts for the supply of property or the rendering of services for more than a period of one year if approved by City Council by Ordinance; and

**WHEREAS**, the City desires to obtain motor vehicle fleet management and maintenance services; and

**WHEREAS**, the City has issued a Request for Proposals for such services in accordance with the City Charter; and

**WHEREAS**, the term of the contract for such services shall be for a period of five (5) years, with two possible renewal periods of one year each, in order to provide for continuity of service and to minimize disruption; and

**WHEREAS**, after a thorough review of the proposals submitted, it is the recommendation of the Department of Public Works that a Fleet Management and Maintenance Contract, a copy of which (without exhibits) is attached hereto as Exhibit "A", be entered into with First Vehicle Services, Inc. The exhibits to said contract are available for review in the Department of Public Works; and

**WHEREAS**, the cost to the City for the Fleet Management and Maintenance Contract shall be approximately as follows:

FY 2010 - - \$1,627,322;

FY 2011 - - \$1,675,763;

FY 2012 - - \$1,725,770.

The cost for FY 2013 and FY 2014 shall be that of the previous year's contract adjusted in an amount not to exceed the Consumer Price Index. The above stated costs are "target" costs only, i.e., fixed costs for predictable and routine services. "Non-target" costs, i.e., the cost of services due to unpredictable events such as accidents, misuse, and additional services requested by the City, are extra.

**THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:**

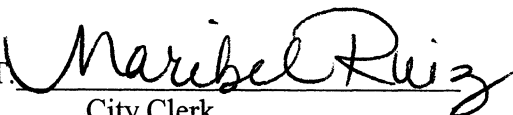
**SECTION 1.** The Fleet Management and Maintenance Contract between the City and First Vehicle Services, Inc., a copy of which (without exhibits) is attached hereto as Exhibit "A", for a period of five (5) years, with two possible renewal periods of one year each at the cost as follows: FY 2010 - - \$1,627,322; FY 2011 - - \$1,675,763; FY 2012 - - \$1,725,770; FY 2013 - - \$1,725,770 plus CPI adjustment; and FY 2014 - - FY 2013 cost plus CPI adjustment, is hereby approved, and the Mayor and the City Clerk are hereby authorized and directed to execute as many copies of said contract, as well as all additional undertakings related thereto, as may be necessary.

**SECTION 2.** This Ordinance shall be effective upon its passage by City Council and approval by the Mayor.

First Reading . . . . . June 4, 2009  
Second Reading . . . . . June 4, 2009  
Third Reading . . . . . August 27, 2009

Passed by City Council, August 27, 2009

  
President of City Council 8/27/09

ATTEST   
City Clerk

Approved as to form this 25<sup>th</sup>

day of August, 2009

Mary Filmer  
First Assistant City Solicitor

Approved this 28<sup>th</sup> day of

August, 2009

James M. Baker  
Mayor

**SYNOPSIS:** This Ordinance authorizes the City to enter into a Fleet Management Contract with First Vehicle Services, Inc., for a period of five (5) years, with two possible renewal periods of one year each, at the cost as follows: FY 2010 - - \$1,627,322; FY 2011 - - \$1,675,763; FY 2012 - - \$1,725,770; FY 2013 - - \$1,725,770 plus CPI adjustment; and FY 2014 - - FY 2013 cost plus CPI adjustment.

## FLEET MANAGEMENT AND MAINTENANCE CONTRACT

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and between THE CITY OF WILMINGTON, a municipal corporation of the State of Delaware, with its principal place of business at the Louis L. Redding City/County Building, 800 French Street, Wilmington, Delaware 19801-3537 (hereinafter referred to as "City"), and FIRST VEHICLE SERVICES, INC., an Ohio corporation, with its principal place of business at 600 Vine Street, Cincinnati, Ohio 45202 (hereinafter referred to as "Contractor");

**WHEREAS**, the City, in an effort to conserve and reduce expenditures, requested proposals from organizations for the privatization of the City's Motor Vehicle facility which maintains the City's fleet of motor vehicles; and

**WHEREAS**, after receiving these proposals, the City selected Contractor to perform the services as hereinafter described; and

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, the parties hereto agree as follows:

### **I. Contract Documents**

The following documents are attached to this agreement, as indicated, and are hereby made a part of this contract and shall apply to the services provided by Contractor hereunder, except as otherwise specified in this contract:

1. City's Request for Proposals (Exhibit A)
2. First Vehicle Services Proposal (Exhibit B)
3. Fleet Maintenance Services' RFP Letter dated (Exhibit C)

In the event of any future disagreement regarding the terms of service under this agreement, the following order of precedence is established:

1. This agreement (without exhibits)
2. Letter dated April 8, 2009 (Exhibit C)
3. City's Request for Proposal (Exhibit A)
4. First Vehicle Services' Proposal (Exhibit B)

### **II. Scope of Services**

Contractor agrees to provide those services and perform those functions as set out in the Scope of Services Section 1 of Exhibit A.

**EXHIBIT "A"**

### **III. Term of Contract**

The term of the Contract shall be for a period of five (5) years from the start work date specified in the contract. The City reserves the right to extend the contract on mutual agreement of the parties by two additional one (1) year terms in accordance with Section 2.3 of Exhibit A.

### **IV. Default**

If, at any time subsequent to the date of this Contract, any one or more of the following events of default occur, the City may terminate this Contract as hereafter provided:

- (a) Contractor shall neglect or fail to perform or observe in a material manner any of the covenants or agreements herein contained on the part of Contractor to be performed or observed, and such default shall not be remedied by Contractor within thirty (30) days after notice to Contractor specifying such neglect or failure; or
- (b) Contractor shall make an assignment for the benefits of creditors or shall become insolvent; or
- (c) Contractor shall vacate or abandon the Facilities or fail to open the Facilities for the conduct of business for five (5) consecutive business days, except for reasons of extreme emergency; or
- (d) Contractor shall seek or consent to or acquiesce in the appointment of any receiver or liquidator for all or a substantial part of its assets; or
- (e) A petition shall be filed by or against Contractor under any law seeking any reorganization, arrangement, readjustment, composition, liquidation, or desertion, stay or other similar relief under any present or future state or federal statute, law or regulation and shall remain undismissed for a period of thirty (30) days.

### **V. Termination**

In the event of default in accordance with the provisions of **IV. Default**, hereof, City may terminate this contract upon thirty (30) days notice to Contractor. In the event of termination, Contractor shall peacefully grant and surrender the Facilities to the City. The costs and expenses incurred by City in the event of a default shall be paid by Contractor. The Contractor agrees to surrender peacefully said equipment and Facilities upon receiving an itemized receipt from the City for said items, and cooperate to the extent necessary to enable the City to take over and carry out the services herein described. All payments by the City, except those for services previously rendered or costs incurred and reimbursable to the Contractor pursuant to this Contract, shall cease. The City shall have the option to transfer all data contained by the Contractors Fleet Management Information system to a replacement system furnished by the City. The Contractor agrees that in the event it disputes the City's right to invoke the provisions of this Section, it will not seek injunctive or other similar relief, but will either negotiate an adjustment of the matter with the City or seek, as its remedy, monetary damages in a court of competent jurisdiction.

### **VI. Notice**

Any written notice to be given hereunder by either party to the other party shall be effected by certified mail, return receipt requested. Notice to the Contractor shall be sufficient if made or addressed to the President of First Vehicle Services, Inc., Suite 500, One Centennial Plaza, 705 Central Avenue, Cincinnati, Ohio 45202 with a copy to General Council at the address. Notice to the

City shall be sufficient if made addressed to the Department of Public Works, Louis L. Redding City/County Building, 800 French Street, Wilmington, Delaware 19801, attention: Commissioner of Public Works. Either party may change the address for notice to it by given written notice of such change in accordance with the provisions of this Section.

#### **VII. City Ordinance**

Nothing contained in any ordinance or regulation of the City hereafter adopted, pertaining to the management of the fleet and unit maintenance shall in any way be construed to affect or alter the duties, responsibilities, and operation of the Contractor in the performance of the terms of this Contract, unless any such change is agreed to in writing by both the Contractor and the City.

#### **VIII. Modification/Amendment**

This Contract cannot be altered, amended, or modified except by writing signed by the parties hereto.

#### **IX. Right to Require Performance**

The failure of the City at any time to require performance by the Contractor of any provisions hereof shall in no way affect the right of the City thereafter to enforce same. Nor shall waiver by the City of any breach of any provision hereof be taken or held to be a waiver of any succeeding breach of such provision or as a waiver of any provision itself.

#### **X. Assignment**

The duties and obligations assumed by Contractor under this contract are not transferable or assignable without the prior written consent of the City, which consent shall not be unreasonable withheld, provided Contractor is not in default at the time of the proposed assignment.

#### **XI. Governing Law**

This Contract and the interpretation of the provisions contained herein shall be governed by and construed in accordance with the laws of the State of Delaware.

**IN WITNESS WHEREOF**, the parties hereto set their hands and seals the day and year first above-referenced.

ATTEST:

CITY OF WILMINGTON

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Mayor

ATTEST:

FIRST VEHICLE SERVICE, INC.

\_\_\_\_\_  
By: \_\_\_\_\_

Approved as to form this

\_\_\_\_\_ day of \_\_\_\_\_ 20

\_\_\_\_\_  
Assistant City Solicitor

EXHIBIT C

**First**  **Vehicle Services**

**First Vehicle Services**  
1903 Chamberlayne Ave  
Richmond, VA 23222  
Tel 804-306-9857  
Fax 775-806-1370

April 08, 2009

Mr. Kash Srinivasan  
Commissioner  
City of Wilmington  
Department of Public Works  
800 French Street  
Wilmington, DE 19801-3537

RE: **Fleet Maintenance Services' Request for Proposal**

Dear Mr. Srinivasan

Based upon our April 7, 2009 meeting, First Vehicle Services (FVS) is proposing the following to the City of Wilmington.

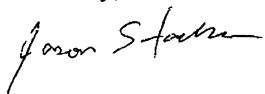
	Year One	Year Two	Year Three
<b>Proposed Target Price:</b>	<b>\$1,627,322</b>	<b>\$1,675,763</b>	<b>\$1,725,770</b>

FVS has held its pricing firm with no increase over our current Target Price. Included in this price is the addition of the Snow Emergency Equipment which equates to an estimated price reduction of \$35,000. The Target Price is fixed for year one (1), year two (2), and year three (3) of the contract as stated above. All other adjustments shall be mutually agreed upon as outlined in section 3.4 of the City's RFP.

I believe this includes the items as discussed at our meeting. However, please do not hesitate to contact me if you need additional information or clarification.

Thank you for the opportunity to continue our long term partnership with the City of Wilmington. FVS is committed to delivering the services you have come to expect.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jason Stack".

Jason Stack  
Region Vice President  
First Vehicle Services

C: Jerry Walker

## **Impact Statement**

**Rev. #1**  
**#3179**

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